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OLL 84-2512
16 July 1984

MEMORANDUM FOR: EPS/LG

VIA: Chief, Liaison Division
Office of Legislative Liaison

STAT

FROM:
Liaison Division/OLL

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SUBJECT: Jack Anderson Article (Washington Post,
dated 12 July 1984)

1. Thomas K. Latimer, Staff Director, House Permanent Select Committee on Intelligence, passed the attached article to Liaison from The Washington Post, and asked us if it was valid or if we knew any other information regarding the subject.

2. Would you please check it out and let us know as soon as possible?

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Attachment:
As stated

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OLL/LD (17 July 84)

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JACK ANDERSON

Scheme to Grab Soviet Tanks Gets Untracked

7-12-84 WP
Did the U.S. Customs Service stumble onto a secret operation that might have delivered a Soviet tank into U.S. hands? Customs officials say it isn't so, but the suspicion lingers that they have blown an undercover caper.

The facts are being kept under wraps. That lends credence to the theory that it involved an intelligence operation. A federal judge has sealed court records in the case, but my associates John Dillon and Donald Goldberg have learned some of the details.

More than two years ago, the Defense Intelligence Agency tried to figure out how to smuggle a Soviet T72 tank to the West so it could study the gun barrel, armor plating and infrared sensors.

Israel, which often turns over captured Soviet weapons to the Defense Department, came close to snagging a T72 in Lebanon when one bogged down in the mud. But it was in Syrian territory, and the Israelis had to leave it behind.

Then the Soviets began shipping T72s to Iraq.

The problem of intercepting them en route to the Persian Gulf

war zone remained to be solved. Enter Leonard Berg, owner of a New York security company, and Solomon Schwartz, a consultant who has close ties to the intelligence community.

Schwartz also had contact with a top Polish general through a friend of the general. This general stood high enough in the Polish communist hierarchy to get control of one or two T72s.

Schwartz traveled back and forth to Warsaw to arrange the secret deal. The Polish general, in exchange for help in hijacking two tanks, wanted money deposited in a Swiss bank account (as protection for himself and his family if and when he defected) and a cut of another weapons deal.

The details are still sketchy, but one source believes the two T72s were to be diverted on their way to the battlefield in Iraq.

The arms deal in which the general was promised a secret share was the sale of several thousand police weapons to Mexico, to be picked up in this country, Great Britain and Belgium.

According to competent sources, Schwartz and Berg hired a pilot to deliver the arms to Mexico, flying from New York to London, then on to Brussels and Warsaw.

Unknown to Schwartz and Berg, the pilot was a customs informer, and he tipped off officials to the arms shipment. Customs decided the weapons weren't destined for

Mexico, but for Poland, so they seized the cargo in New York.

Customs' efforts to untangle the mystery started to go awry. Officials got a search warrant for Berg's company, but for the wrong floor. While one agent kept employees at bay, another hurriedly found a judge to correct the error on the warrant.

The public may never know whether it was a bona fide military intelligence operation, as defense attorneys claim, or if it was a case of rogue spooks out for a fast buck, as customs claims. The case is now under the Classified Information Procedures Act, which means those involved are forbidden to discuss it.

However, sources close to the case say Schwartz and Berg believed they were working on a legitimate undercover plan to get a Soviet tank. They discussed the situation beforehand with at least one DIA agent and an FBI agent who specializes in Polish intelligence.

The FBI agent would only say: "The government has a case and the other situation, I believe, has its case."

"We're going to say the pilot was just a flunky and wasn't told the whole plan in order to protect the interests of the United States," Schwartz' attorney said.

But prosecutor David Kirby said: "If the government had authorized this in some way, it is doubtful we would authorize a prosecution."